

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AF-08 ARA-06 EA-07 NEA-10  
TRSE-00 ABF-01 OMB-01 CIAE-00 DODE-00 PM-04 H-01  
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
USIA-06 AID-05 /116 R

DRAFTED BY EB/IFD/OMA: B G CROWE

APPROVED BY IO;RDMOREY

TREASURY: M FOWLER

IO/IEB: P CHAVEAS

EB/IFD/OMA:RJRYAN

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R 072152Z DEC 76

FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

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E.O. 11652: GDS

TAGS: EFIN, UNGA, ECOSOC

SUBJECT: 31ST UNGA - DRAFT RESOLUTION ON DEBT PROBLEMS  
OF DEVELOPING COUNTRIES

REF: USUN 5792

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1. AS MISSION AWARE, USG CANNOT ACCEPT THE DRAFT RESOLUTION  
ON DEBT AS TRANSMITTED IN REFTEL AND MUST VOTE AGAINST IT  
IN ITS ENTIRETY. WE FIND, MOREOVER, DRAFT UNACCEPTABLE  
EVEN AS A BASIS FOR ATTEMPTING TO NEGOTIATE AN AGREED RE-  
SOLUTION. GIVEN THE HISTORY OF G-77 POSITION ON "DEBT",  
WE SEE NO POSSIBILITY OF GETTING G-77 AGREEMENT ON LANGUAGE  
THAT WOULD BE ACCEPTABLE TO USG. REQUEST THEREFORE THAT  
YOU OPPOSE THIS RESOLUTION, AND THAT YOU ACCOMPANY YOUR  
NEGATIVE VOTE WITH THE FOLLOWING EXPLANATORY STATEMENT.

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2. "THE UNITED STATES RECOGNIZES THAT THE AVOIDANCE OF DEBT SERVICING DIFFICULTIES UNDER CONDITIONS THAT ARE GENERALLY CONSISTENT WITH AN ORDERLY DEVELOPMENT PROCESS IS IN THE INTEREST OF BOTH CREDITOR AND DEBTOR COUNTRIES. FOR OUR PART, WE ARE PREPARED TO CONTINUE TO COOPERATE IN HELPING DEVELOPING COUNTRIES TO ALLEVIATE ACUTE DEBT PROBLEMS. WE BELIEVE SUCH PROBLEMS SHOULD BE TREATED, ON A CASE BY CASE BASIS IN CREDITOR CLUBS, IN A SPIRIT OF INTERNATIONAL COOPERATION. THE UNITED STATES ALSO FULLY SHARES THE CONCERN EXPRESSED IN THIS FORUM OVER THE FACT THAT SOME OIL-IMPORTING DEVELOPING COUNTRIES CONTINUE TO FACE FORMIDABLE FINANCING PROBLEMS. I WOULD LIKE TO ASSURE MY COLLEAGUES THAT, AS FAR AS THE UNITED STATES IS CONCERNED, WE ARE PREPARED TO CONTINUE COOPERATING TO HELP THESE COUNTRIES. IN THIS CONTEXT, I NOTE THE VERY CONSIDERABLE PROGRESS ALREADY ACHIEVED IN EXPANDING IMF FACILITIES. THE UNITED STATES BELIEVES HOWEVER THAT THE FINANCING PROBLEMS OF DEVELOPING COUNTRIES, INCLUDING THEIR INDEBTEDNESS, CAN ONLY BE ADDRESSED IN THE CONTEXT OF THE OVERALL FINANCIAL SITUATIONS FACED BY THESE COUNTRIES. WE THUS REMAIN OPPOSED FIRMLY TO ANY FORM OF GENERALIZED DEBT RELIEF.

"WITH RESPECT TO COMMERCIAL DEBT, WE BELIEVE THE PRIMARY NEED OF COMMERCIAL BORROWERS IS TO SECURE IMPROVED ACCESS TO PRIVATE CAPITAL MARKETS. IN THIS CONTEXT, THE UNITED STATES SUPPORTS THE AGREEMENT ON ACCESS TO CAPITAL MARKETS REACHED BY THE IMF/IBRD DEVELOPMENT COMMITTEE AT ITS SIXTH MEETING. WE BELIEVE, HOWEVER, THAT THE PROPOSAL CONTAINED IN THE CURRENT RESOLUTION CALLING FOR REFINANCING COMMERCIAL DEBT IS UNNECESSARY, WOULD ENTAIL AN UNREALISTICALLY HIGH LEVEL OF FUNDING, AND WOULD AFFECT ADVERSELY DEVELOPING COUNTRY CREDITWORTHINESS.

"IN SO FAR AS THE DISCUSSION ON DEBT AT THE TDB MINISTERIAL IS CONCERNED, THE UNITED STATES SUPPORTS FULLY THE DECISION REACHED AT UNCTAD IV THAT THE MINISTERIAL WILL REVIEW THE ACTION TAKEN PURSUANT TO RESOLUTION 94 (IV). THE UNITED STATES OPPOSES, HOWEVER, REQUESTING THE MINISTERIAL TO REACH AGREEMENT ON CONCRETE MEASURES TO LIMITED OFFICIAL USE

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PROVIDE AN IMMEDIATE SOLUTION TO THE DEBT PROBLEMS OF DEVELOPING COUNTRIES."

3. REQUEST YOU CONTACT DELEGATIONS OF COUNTRIES ALREADY RELYING HEAVILY ON PRIVATE CAPITAL MARKETS (E.G. BRAZIL, MEXICO) AND ADVISE THEM THAT USG SEES SERIOUS DANGER

THAT PASSAGE OF THIS RESOLUTION IN PRESENT FORM WOULD

HAVE IMMEDIATE UNSETTLING EFFECT IN PRIVATE CAPITAL  
MARKETS AND WOULD ADVERSELY IMPACT ON CREDITWORTHINESS  
OF ALL LDC BORROWERS IN PRIVATE MARKETS. ROBINSON

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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